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Brooks
Fiber Properties

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Arizona Corporation Commission

DOCKETED

January 21, 1997
VIA FAX and EXPRESS MAIL

JAN 22 1997

DOCKETED BY

Mr. Carl J. Kunasek, Chairman
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

U-3016-96-402

RE: Interim Pricing of Unbundled Loops (Docket No. U-3009-96-478, et al.)

This past Friday, US WEST and Brooks Fiber Communications of Tucson, Inc., ("Brooks"), submitted a proposed interconnection agreement pursuant to the Commission's Order in the US WEST/Brooks arbitration proceeding [Decision No. 59930 (December 18, 1996)]. Brooks has accepted under protest the interim pricing of local loops at \$21.67 per month. Now that you are Chairman, and a new Commission has taken office, Brooks would ask the opportunity to meet with you, the other Commissioners, and other affected parties to revisit this issue at the earliest possible date.

In its Exceptions to the Commission's earlier Orders in the MFS and TCG arbitrations [Decision Nos. 59872 and 59873 (October 29, 1996)], Brooks noted that the decision to abandon the FCC's suggested proxy prices for unbundled loops effectively precludes new entrants from competing with US WEST for residential and some types of commercial customers (e.g., CENTREX). Brooks further believes that setting wholesale unbundled loop prices in excess of US WEST retail rates unfairly discriminates against new facilities-based carriers such as Brooks.

During the US WEST/Brooks arbitration hearing, Brooks and US WEST were permitted only a very limited ability to challenge this interim pricing decision, and it was made clear that it was unlikely that any amount of evidence would sway the arbitrators from their prior determination in the aforementioned MFS and TCG arbitrations - dockets in which Brooks was not even allowed to participate. Although Brooks did present evidence in the generic Commission proceeding on final pricing of unbundled loops, it is not clear when a decision will be reached in that proceeding, which will hopefully adopt more realistic loop prices. In the meantime, Brooks and other new entrants are forced to subsidize their primary competitor - US WEST.

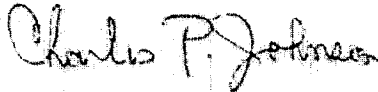
I am sure you didn't intend such results when you accepted these interim loop prices. Brooks urges you to grant this request in the name of both enhanced competition and just plain fairness. Please feel free to contact Brooks' Regional Director, Ms. Kath Thomas, directly [(408) 222-2333] to schedule this meeting, at which our President, Mr. D. Craig Young, will attend. If you would rather the attorneys handle the arrangements to avoid any appearance of impropriety, have your counsel contact Mr. Thomas L. Mumaw, Esq., of Snell & Wilmer L.L.P., at (602) 382-6396.

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Mr. Carl J. Kunasek
January 21, 1997

Thank you in advance for your consideration in this matter.

Sincerely,



Charles Johnson
Regional Vice President, Central Region
Brooks Fiber Properties, Inc.

cc: All parties of record
Jim Irvin, Commissioner
Renz D. Jennings, Commissioner
Jerry Rudibaugh, Chief Hearing Officer